GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2008
ANSWERED ON:13.12.2004
STATUTORY MINIMUM PRICE FOR SUGARCANE
Munshiram Shri ;Pingle Shri Devidas Anandrao;Prasad Shri Hari Kewal;Tripathy Shri Braja Kishore

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government has declared the Statutory Minimum Price for sugarcane;

(b) if so, the total increase effected in the prices as compared to the previous year;

(c) whether the new price is more than the cost incurred by the farmers;

(d) if so, the details thereof;

(e) the measures taken by the Government to protect the interest of small and marginal sugarcane farmers;

(f) the details of sugar recovery rate announced by the Government;

(g) the details of the recommendations made by Commission of Agricultural Costs and Prices (CACP); and

(h) the reasons for delay in taking a decision in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a), (b), (c), (d), (e), (f) & (g): The Central Government has fixed the Statutory Minimum Price (SMP) of sugarcane payable by sugar factories for 2004-05 sugar season at Rs. 74.50 per quintal linked to a basic recovery of 8.5% subject to a premium of Rs. 0.88 for every 0.1% point compared to Rs. 73.00 per quintal linked to a basic recovery of 8.5% fixed for 2003-04 sugar season. The Central Government fixes the SMP of sugarcane for each sugar season (October - September) payable by sugar factories to the sugarcane growers on the basis of recommendations of the Commission for Agricultural Costs and Prices (CACP) which inter-alia takes the cost of production of sugarcane into consideration. The Government declares minimum price in order to ensure that the interests of small and marginal farmers do not suffer.

(h): Government announces the SMP of sugarcane after detailed examination of the report of the CACP and extensive consultation with the various stake-holders.